

Suffolk County Landbank Corporation Special Board Meeting
Suffolk County Department of Economic Development and Planning
H. Lee Dennison Building, 11th Floor
Hauppauge, NY 11788

ZOOM MEETING VIDEO CONFERENCE

March 2, 2021 at 8:45 a.m.

Verbatim Meeting Minutes

PRESENT:

Board of Directors:

Peter Scully, Deputy County Executive
Dorian Dale, Designee for Commissioner Natalie Wright, SC Dept. of Economic Development and Planning
Hon. Robert Calarco, Presiding Officer, Suffolk County Legislature
Hon. Thomas Cilmi, Suffolk County Legislator, District #10
Hon. Rich Schaffer, Supervisor, Town of Babylon
Cara Longworth, Empire State Development

Staff Present:

Sarah Lansdale, President, SC Landbank Corp.
Robert Braun, Counsel, Suffolk County Dept. of Law
Janet Gremli, Dept. of Health Services
Matthew Kapell, Project Manager, Suffolk County Landbank
Mikael Kerr, Project Coordinator, SC Landbank Corp.

Not Present:

Natalie Wright, Commissioner, SC Dept. of Economic Development and Planning

Guests Present:

Daniel Furshpan, Attorney, Rivkin Radler
Frances Pierre, Commissioner of Dept. of Social Services
Rebecca Sinclair, Deputy Commissioner of Dept. of Economic Development and Planning

Dorian Dale: ...Roll Call and we ask that Members clearly state their name when making a motion and clearly state their vote, when their name is called. Matt, will you conduct a roll call.

Matthew Kapell: Sure.

(Roll Call by Matt Kapell)

Leg. Thomas Cilmi: Present.

P.O. Robert Calarco: I'm present

Peter Scully: Present

Cara Longworth: Here

Hon. Rich Schaffer: Here

Matt Kapell: Did I miss anybody else?

Dorian Dale: Dorian Dale

Matt Kapell: And, Dorian

Sarah Lansdale: Director Dale.

Matt Kapell: Six

Dorian Dale: Okay, so we will commence the meeting at this time, starting first with the Public Portion, again in accordance with Executive Order 202.1, the Public Portion will be limited to individuals who have submitted a request to landbank@suffolkcounty.gov. Mike, are there any scheduled speakers at this point.

Mikael Kerr: We did not receive any emails, but I do see some people that have joined the meeting, so I do just want to open it up to anybody, if they do wish to speak, while we have the time.

Unidentified speaker: I'd like to put in a statement, Dorian, if that's okay?

Dorian Dale: Please identify yourself before going on.

Daniel Furshpan: Yes, my name is Daniel Furshpan. I'm an attorney at the Law Firm, Rivkin Radler, and I represent the fee owner of the property, 50 Commonwealth in Wyandanch.

Dorian Dale: Very good.

Hon. Rich Schaffer: Dorian, could Dan tell us who that is?

Daniel Furshpan: The fee owner, yeah, Joseph Johns is the individual's name, and he purchased the property under an LLC. I think its called 41 Sherbrooke Road, LLC.

Hon. Rich Schaffer: Okay, thank you.

Daniel Furshpan: You're welcome. Just a brief statement. I just want to let everyone here know I had a discussion yesterday with Dennis Cohen, and we're here today to listen and inform the Landbank and other individuals that my client's willing to work with the Landbank or any current or future owner of the tax liens to come up with a mutually, beneficial arrangement with respect to the property.

Dorian Dale: Are there any other statements from the public at this point?

Hon. Rich Schaffer: Dorian, are we allowed to ask him questions or do we?

Dorian Dale: Sure. By all means, go right ahead.

Hon. Rich Schaffer: Could you let us know when your client purchased, this is Rich Schaffer, when your client purchased it and for how much he purchased it for?

Daniel Furshpan: Yeah, he purchased it approximately two weeks ago at a Suffolk County Sheriff's Auction, and the, I don't have the exact purchase price, but I could tell you it was

around \$50,000.

Hon. Rich Schaffer: He bought *that* property for \$50,000?

Daniel Furshpan: At the Sheriff's Auction, yes.

Hon. Rich Schaffer: Okay.

Dorian Dale: Does staff have any clarification? I believe they are in possession of a notice to that end, on the exact sale price.

Sarah Lansdale: Yes, we have, Matt and Mike correct me if I'm wrong, but we believe, we saw the paperwork from the purchasers that they provided, voluntarily to us, and the purchase price was \$25,500.

Daniel Furshpan: I believe that was the down payment, and then there was a subsequent payment made.

Dorian Dale: Again staff, could you address that particular representation?

Sarah Lansdale: Matt and Mike?

Mikael Kerr: I'd have to pull up the paperwork. I believe the paperwork I saw was \$25,000 as well. We haven't received the communication or the paperwork from the Sheriff's Office yet though.

Dorian Dale: I believe the issue is about the down payment. If you clarify that?

Daniel Furshpan: If you just give me a moment, I could find the paperwork. It'll take just a moment.

Dorian Dale: I mean, customarily, I believe in these circumstances, the down payment is 10% of the total offer.

Daniel Furshpan: My computer, I can pull it up in about two minutes. Oh, here it is. I have it. Excuse me. The down payment, okay, yes, you're correct. The price was \$25,520, I believe. Yes, right, it's about \$25,000.

Dorian Dale: Then, the down payment, therefore, was?

Daniel Furshpan: The down payment was \$2,000, I believe it was \$2,550, but the balance has been paid in full.

Dorian Dale: Supervisor Schaffer, do you have a follow-up?

Hon. Rich Schaffer: Just, my question in general is, what was the Sheriff doing selling this property? And, I'm just confused and don't understand exactly the kind of the timeline here, and I know we, the Landbank Board, has been proceeding with an RFP for, outside interests to come in and purchase the property. We, the Town, have been saddled with keeping the property safe, clean, we've found homeless people living there, the neighborhood's been terrorized. It's been going on for a long time, and I'm excited to have the Landbank, the Landbank Corporation has been terrific in dealing with these types of properties. I was excited to have that happen here. I was not excited to hear that we were back to the old ways of doing

things in the County, back when I was on the County Legislature, which was like back in 1896, and where properties were just sold for basement prices of \$25,000. That's outrageous. Look, I'm gonna have to abstain on anything regarding this, because I am going to have the ability to deal with this property at the planning and zoning level, so I don't want to give Mr. Johns any ammunition to disqualify me from consideration of dealing with the property, if he ends up being the owner of the property. I know his attorney claims he is the owner of the property, and obviously, he's got documents to say that. But, whatever is worked out here, I'm going to abstain from any votes on this resolution because I'm pretty angry right now. Not at anybody in the County. I'm just angry at the fact that we were proceeding along with what I thought was a great path after a number of years of really, not knowing what to do with this property, and I want to make sure that this property is redeveloped. It is right on the cusp of a plan that the County Executive put in motion many years ago, called Wyandanch Rising. The Town just committed close to \$2,500,000.00 in infrastructure improvements that are going to take place in what's called, Phase Two, which is the southeast corner, which is bordered by this property. So, I'm not going to let someone who bought this for 25 Grand come in and destroy all the work that has been done. I don't know Mr. Johns. I'm not interested in knowing Mr. Johns, unless he ends up being the person who is going to apply to the Town and then we deal with him when he gets to the Town level for the zoning. So, I'm, again, I know I'm rambling, but I am really upset by just the kind of sequence of events here, and would like to know how the Sheriff ended up selling this property for \$25,000?

Dorian Dale: Well, Director Lansdale, you look like you have an explanation.

Sarah Lansdale: Yes. Bob Braun can explain the process, and Supervisor, we did follow-up with staff in the Sheriff's Office, and Bob can explain the process that was used to sell that property. And, just for the record, we did issue, the Landbank, issued a Request for Proposals on this property after we coordinated with the State, as well as County Officials and Town Officials on July 14th. The deadline was October 1st for that RFP deadline. And then, we've been engaged in reviewing that. And Supervisor, I want to thank your team and you for the hours that you've spent working with us to review those RFP proposals.

Hon. Rich Schaffer: And, Sarah, you and your staff have been stellar through this process, as always, so don't interpret anything I'm saying directed at your staff or the County staff or Bob Braun or anybody. I'm just, again, I'm just very upset and angry about the fact that this is where we're at, and no offense to Mr. Furshpan, but I find ourselves now having to sit dealing, negotiating with an attorney over where we thought we were going and now we're in this spot. Again, I just, it's baffling to me, but I'll shut up and let the smart people talk now.

Robert Braun: Oh, and I thought it was going to be my turn, but all right.

Hon. Rich Schaffer: I said you're the smart person, Mr. Braun.

Robert Braun: Thank you Supervisor. What happened was that, among other issues regarding this property, someone who had a claim against the not-for-profit, I guess, who owned it, got a judgment; and after a period of time went by they sent an execution to the Sheriff, and as the law requires, the Sheriff conducted an auction to satisfy the judgment. I understand Mr. Furshpan's client was the successful bidder at that auction and took title to the property. In fact, that's very recent. I understand, in fact, the Sheriff delivered the deed, probably yesterday. But, in any event, none of that affects the County's or the Landbank's standing as the owner of the tax liens. Instead of dealing with the out of business not-for-profit, who was the record owner, now we have Mr. Johns or his LLC to deal with as the record owner, but the tax liens are still superior to any other claim, including the claim of the new owner. So, if the Landbank wanted to, it would be free to follow its ordinary process. There's over a million dollars in overdue real

estate taxes. The Landbank can ask the Legislature to transfer those tax liens to the Landbank, and then the Landbank can sell them as it always does. The fact that a new owner has taken title doesn't change the Landbank's, or the County's priority with respect to the tax liens.

Hon. Rich Schaffer: Okay. Thank you.

Sarah Lansdale: So Bob, do you want to explain the first resolution that is up. So, we are requesting transfer of the, and we're following our normal procedure, of requesting transfer of, at the Landbank Board, of either the tax liens or the full fee from the Landbank to the (inaudible) Landbank. Yes?

PO Rob Calarco: I'm sorry to interrupt, but can I ask a question of the attorney, please?

Sarah Lansdale: Sure.

PO Rob Calarco: I guess the question is first to Staff. What is the outstanding tax balance on this parcel?

Sarah Lansdale: Mike?

Mikael Kerr: I'm sorry. It's just over a million dollars.

PO Rob Calarco: Okay. To Mr. Johns Counsel, I'm sorry Sir, I forgot your name. Is Mr. Johns prepared to make the County whole on that tax liability?

Daniel Furshpan: I can't answer any questions now. I can just tell you that we are preliminary in our discussions. We just took title to the property. All I can say is that we're willing to talk to the Board, talk to the tax-lien owner to come up with a mutually beneficial arrangement.

PO Rob Calarco: My question is, he must have understood there were outstanding tax liens on the parcel. I would think that you would do your homework before making an investment in the parcel. So, my question is again, is he prepared to make the County whole?

Daniel Furshpan: Again, I don't have an answer for you. All I can tell you is that we're very preliminary in our discussions about what actions we're gonna take.

PO Rob Calarco: Thank you.

Dorian Dale: Director Lansdale, just as a point of information if either you or staff could also site the mortgage that is being held on this property, because it's a significant amount is my understanding?

Sarah Lansdale: Yes, there is a mortgage with the State and it's in excess of \$750,000 and between \$750,000 and \$1,000,000.00, as well. And, the State is recently, not aware of any effort to reduce that by the current owner of the property.

Dorian Dale: Thank you.

Sarah Lansdale: We've been in touch with...

Robert Braun: Let me merely add to that, that since the mortgage on the property is prior to the change of ownership, the property is still subject to the lien of that mortgage, as well as to the tax liens.

Peter Scully: Hi, this is Peter Scully. I'd like to make a motion to Authorize the Acquisition and Disposition of the Tax Liens.

Dorian Dale: Do I hear a second?

Leg. Thomas Cilmi: I'll second.

Dorian Dale: Matt will you take a roll?

(Roll Call by Matt Kapell)

Peter Scully: Yes.

PO Rob Calarco: Yes.

Dorian Dale: Yes.

Leg. Thomas Cilmi: Yes.

Hon. Rich Schaffer: I'll Abstain, based on the reasons that I stated earlier.

Cara Longworth: Yes

Matt Kapell: Five

Dorian Dale: Motion passes. The next Resolution up for consideration is 2021-04. Director Lansdale, do you or your staff have any issues to present on that?

Sarah Lansdale: Sure. So, at the last Board meeting, we were given approval by the Landbank Board to enter into discussions with the Long Island Housing Partnership to transfer the property at 55 East Locust in Central Islip to the Long Island Housing Partnership to enter into a rent-to-own program with their Land Trust. And, those negotiations are ongoing. We still need some time to finalize the negotiations. So, this resolution authorizes us to enter into a short-term, we're characterizing short-term and defining it as 60-days Lease Agreement for the family in question, and remember at the last Board meeting I characterized the family as being too large to be accommodated by any of the existing DSS emergency or temporary housing that's available through DSS. I know we have the Commissioner of DSS here at the meeting. So, that is the request, is to allow the family to move in while we are finalizing the transfer of the property to the Long Island Housing Partnership. We also have the Deputy Commissioner of Economic Development and Planning, Rebecca Sinclair, as well, to answer any questions. That is the request. Thank you Director Dale.

Dorian Dale: So, are there any follow-up questions on this particular issue from the Board?

Hon. Rich Schaffer: Schaffer will make a motion to approve.

Dorian Dale: Do I hear a second?

Peter Scully: Scully, Second.

Dorian Dale: Matt, take the roll call.

(Roll Call by Matt Kapell)

Peter Scully: Yes.

PO Rob Calarco: Yes.

Dorian Dale: Yes.

Leg. Thomas Cilmi: Yes.

Hon. Rich Schaffer: Yes.

Cara Longworth: Yes.

Matt Kapell: Six.

Dorian Dale: Motion passes. I don't believe there is any Old Business and Correspondence, and just FYI, the next Landbank Board Meeting will be held on the 24th of March at 11:30 a.m. Do we have a motion to adjourn?

Leg. Thomas Cilmi: Dorian, before we adjourn, just real quickly. I presume that you, Sarah and Bob Braun will keep us apprised of any discussions with Mr. Furshpan or his client?

Sarah Lansdale: We will, yes.

Robert Braun: Certainly.

Leg. Thomas Cilmi: Thank you.

Hon. Rich Schaffer: And, can you find out who this guy Johns is? Are you able to get us some information? He, like he just appeared, he sent a very cryptic email to me and to Legislator Richberg introducing himself and he was excited to develop the property; and I'd like to know, see if we could find out a little bit more about him?

Sarah Lansdale: We've requested information that would be equivalent of what was requested in the RFP, to understand the plans and experience.

Hon. Rich Schaffer: Yeah, I mean, I mean let's get one of the secret like DA people to like figure out who this guy is. You know, I'm making a joke, but I'd like to know like who he is, what his track record has been, where he came from? I'm very curious. I know, we have a lot of guys that stand on the steps of Town Hall and they wait for the houses to go up. I'm assuming this is that same group that attend Sheriff's Auctions and buys things. Then, they've got an attorney that's gonna negotiate with us. Again, I'm sorry to be so animated this morning, but I just, it didn't feel right, especially getting this very cryptic email introducing himself to me. And again, I don't want you to interpret anything. You guys are terrific, but I'm just angry because you know, there's a lot going on there now and we're trying to get some stuff done, and to have this plopped in the middle and then we're gonna be dealing with this like we're dealing with, what's it, Strongs Avenue, you know the nonsense going on over there in Copiague. I just don't want to end up in litigation hell. This thing is right in the middle of Phase Two, and like I said, we've got a lot committed to it and I'm not gonna be held up by some guy who bought this thing for \$25,000. And as Bob says, he's got a lot of other things to worry about, but I'd like to know a little bit more about him, if you can?

Dorian Dale: So, that looks like a mandate for you, Attorney Furshpan. You have a considerable amount of due diligence. You might extend that premise to your client; and you know who the stakeholders are here, so be sure that you follow up and respond comprehensively.

Hon. Rich Schaffer: Oh, I see Mr. Johns is on here today. Mr. Furshpan is Mr. Johns on here?

Daniel Furshpan: I'm not aware of it. I don't have the, I can't see if he's here. Looks like he joined recently.

Hon. Rich Schaffer: I see him logged in. Maybe he can introduce himself to us?

Daniel Furshpan: Okay, well he's represented by Counsel, so um.

Hon. Rich Schaffer: I understand he's represented, introducing himself isn't really a legal issue is it?

Daniel Furshpan: It certainly isn't, but I think what we'll do is we'll be in touch. Like I said, I had a discussion with him...

Hon. Rich Schaffer: I just want to note for the record that Mr. Johns was in attendance and he didn't want to introduce himself to us. So, thank you.

Daniel Furshpan: Okay, thank you.

Dorian Dale: Noted. Okay, very good. Then, if there aren't any other considerations at this point in time, do we have a motion to adjourn?

Hon. Rich Schaffer: I'll make a motion to adjourn.

Peter Scully: Second, Scully.

Dorian Dale: Matt, roll call.

(Roll Call by Matt Kapell)

Peter Scully: Yes.

Dorian Dale: Yes.

PO Rob Calarco: Yes.

Leg. Thomas Cilmi: Yes.

Hon. Rich Schaffer: Yes.

Cara Longworth: Yes,

Matt Kapell: Six.

Dorian Dale: Okay, the motion carries. Have a good day folks.

Meeting adjourned at approximately 9:08 a.m.